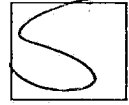


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02848A  
Starlight Water Company, Inc.  
PO Box 1842  
Wenatchee, WA 98807

RECEIVED

APR 03 2007

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
--------	----

PROCESSED BY:

A-6-07RF

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>STARLIGHT WATER CO., INC.</u>			
<b>Mailing Address</b> <u>PO BOX 1842</u>			
(Street)			
<u>WENATCHEE</u>	<u>WASHINGTON</u>	<u>98807</u>	
(City)	(State)	(Zip)	
<u>(509) 679-6725</u>	<u>(509) 884-0698</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>Local Office Mailing Address</b> <u>PO Box 85160</u>			
(Street)			
<u>TUCSON</u>	<u>ARIZONA</u>	<u>85754</u>	
(City)	(State)	(Zip)	
<u>(520) 623-5172</u>	<u>(520) 792-0377</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>SOUTHWESTERN UTILITY MANAGEMENT, INC.</u>			
<u>BONNIE O'CONNOR</u>			
(Name)			
<u>VICE PRESIDENT</u>			
(Title)			
<u>PO BOX 85160</u>	<u>TUCSON</u>	<u>ARIZONA</u>	<u>85754</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 623-5172</u>	<u>(520) 792-0377</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>SWUMGMT@AOL.COM</u>			
<b>On Site Manager:</b> <u>LEE THOMPSON</u>			
(Name)			
<u>HC 31 BOX 886</u>	<u>HAPPY JACK</u>	<u>ARIZONA</u>	<u>86024-9710</u>
(Street)	(City)	(State)	(Zip)
<u>(928) 477-2720</u>	<u>(928) 477-2720</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

<b>Statutory Agent:</b> <u>SALLQUIST &amp; DRUMMOND</u>			
(Name)			
4500 S. LAKESHORE DR., SUITE 339	TEMPE	ARIZONA	85282
(Street)	(City)	(State)	(Zip)
(602) 224-9526	(602) 224-9366		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Attorney:</b> <u>RICHARD SALLQUIST</u>			
(Name)			
4500 S. LAKESHORE DR., SUITE 339	TEMPE	ARIZONA	85282
(Street)	(City)	(State)	(Zip)
(602) 224-9526	(602) 224-9366		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |                                                 |                                                                                      |
|-------------------------------------------------|--------------------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |                                                                                      |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |                                              |
|-------------------------------------|-----------------------------------|----------------------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE            |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE              |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL               |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA                |
| <input type="checkbox"/> STATEWIDE  |                                   |                                              |

COMPANY NAME

Starlight Water Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2,000.00	N/A	2,000.00
302	Franchises			
303	Land and Land Rights	14,000.00	N/A	14,000.00
304	Structures and Improvements	246,382.00	64,069.00	182,313.00
307	Wells and Springs	284,424.00	54,975.00	229,449.00
311	Pumping Equipment	359,744.00	197,185.00	162,559.00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	467,092.00	88,839.00	378,253.00
331	Transmission and Distribution Mains	2,102,162.00	409,614.00	1,692,548.00
333	Services	181,151.00	44,748.00	136,403.00
334	Meters and Meter Installations	38,549.00	19,228.00	19,329.00
335	Hydrants	336,350.00	77,587.00	258,763.00
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,152.00	1,112.00	1,020.00
341	Transportation Equipment	33,601.00	21,464.00	12,137.00
343	Tools, Shop and Garage Equipment	9,328.00	2,532.00	6,796.00
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	261.00	52.00	209.00
	<b>TOTALS</b>	<b>4,077,196.00</b>	<b>981,397.00</b>	<b>3,095,799.00</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Starlight Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	2,000.00		0.00
302	Franchises	14,000.00		0.00
303	Land and Land Rights			
304	Structures and Improvements	246,382.00	3.33%	8,205.00
307	Wells and Springs	284,424.00	3.33%	9,471.00
311	Pumping Equipment	359,744.00	12.5%	44,968.00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	467,092.00	2.22%	10,369.00
331	Transmission and Distribution Mains	2,102,162.00	2%	42,043.00
333	Services	181,151.00	3.33%	6,032.00
334	Meters and Meter Installations	38,549.00	8.33%	3,211.00
335	Hydrants	336,350.00	2%	6,727.00
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,152.00	6.67%	144.00
341	Transportation Equipment	33,681.00	20%	6,720.00
343	Tools, Shop and Garage Equipment	9,328.00	5%	367.00
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	261.00	2.5%	7.00
	<b>TOTALS</b>	<b>4,077,196.00</b>		<b>138,264.00</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

**COMPANY NAME**      Starlight Water Company

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 1,896.00	\$ 34,223.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	8,845.00	26,091.00
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	144.00	144.00
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 10,885.00	\$ 60,458.00
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$3,837,471.00	\$4,077,197.00
103	Property Held for Future Use	7,687.00	7,687.00
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(810,857.00)	(981,398.00)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$3,034,301.00	\$3,103,487.00
	<b>TOTAL ASSETS</b>	\$3,145,186.00	\$3,163,945.00

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

<b>COMPANY NAME</b>	Starlight Water Company
---------------------	-------------------------

### **BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 4,828.00	\$ 1717.00
232	Notes Payable (Current Portion)		263.00
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	128,642.00	146,623.00
236	Accrued Taxes	1,413.00	1,893.00
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1,540.00	20.00
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 136,443.00	\$ 151,516.00
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 29,562.00	\$ 10,228.00
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	1,707,941.00	1,928,241.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	841,278.00	841,278.00
272	Less: Amortization of Contributions	(360,964.00)	(381,996.00)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 2,188,255.00	\$2,387,523.00
	<b>TOTAL LIABILITIES</b>	\$ 2,354,260.00	\$2,548,267.00
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 957,931.00	\$ 937,651.00
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(267,005.00)	(321,973.00)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 672,992.00	\$ 615,678.00
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 3,145,186.00	\$ 3,163,945.00

## COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 269,663.00	\$ 288,395.00
460	Unmetered Water Revenue	0.00	
474	Other Water Revenues	6,668.00	5,170.00
	<b>TOTAL REVENUES</b>	<b>\$ 276,331.00</b>	<b>\$ 293,565.00</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 88,644.00	\$ 73,424.00
610	Purchased Water	0.00	
615	Purchased Power	24,614.00	25,238.00
618	Chemicals	0.00	
620	Repairs and Maintenance	10,682.00	3,958.00
621	Office Supplies and Expense	10,123.00	8,169.00
630	Outside Services	20,938.00	21,631.00
635	Water Testing	5,098.00	2,502.00
641	Rents	0.00	
650	Transportation Expenses	6,990.00	5,731.00
657	Insurance – General Liability	8,998.00	9,643.00
659	Insurance - Health and Life	10,128.00	11,456.00
666	Regulatory Commission Expense – Rate Case	0.00	0.00
675	Miscellaneous Expense	1,097.00	7,309.00
403	Depreciation Expense	79,264.00	117,232.00
408	Taxes Other Than Income	9,284.00	10,349.00
408.11	Property Taxes	1,513.00	3,066.00
409	Income Tax	50.00	
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 277,423.00</b>	<b>\$ 299,708.00</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 1,092.00</b>	<b>\$ (6143.00)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 0.00	\$ 0.00
421	Non-Utility Income	5,675.00	778.00
426	Miscellaneous Non-Utility Expenses	0.00	0.00
427	Interest Expense	2,603.00	1,271.00
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 3,072.00</b>	<b>\$ (593.00)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 1,980.00</b>	<b>\$ (6736.00)</b>



**COMPANY NAME** Starlight Water Company, Inc.

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	9/1/1998			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 24,532.00	\$	\$	\$
Amount Outstanding	\$ 10,228.00	\$	\$	\$
Date of Maturity	3/1/2007			
Interest Rate	2.681 %	%	%	%
Current Year Interest	\$ 328.32	\$	\$	\$
Current Year Principle	\$ 5,727.00	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 160,352.00

Meter Deposits Refunded During the Test Year

\$ 31,710.00

<b>COMPANY NAME</b>	Starlight Water Company, Inc.
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b> 03-063

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-501667	40	160	655	10	3	1988
55-553632	5	25	800	6	1 1/2	1996
55-565147	40	175	810	8	3	1998
55-565148	40	250	780	8	3	1998

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30, 115	2, 2	119	
7.5, 5, 2.5	1, 3, 2	11	
25	2	54	
25	2	83	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
210,000	1	50 Gal.	
100,000	1	2,500	
300,000	1	10,000	
500,000	1	10,000	

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b> Starlight Water Company, Inc.
<b>Name of System</b> ADEQ Public Water System Number (if applicable) 03-063

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	2,802
3		
4	PVC	5,455
5		
6	PVC	148,311
8	PVC	9,569
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	596
1	1
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

N/A

---



---



---



---



---



---

**STRUCTURES:**

Four Well Buildings, Storage Tanks, Fences, Four Pressure Stations

---



---



---



---



---



---

**OTHER:**

N/A

---



---



---



---



---



---

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: Starlight Water Company, Inc.	
Name of System	ADEQ Public Water System Number (if applicable) 03-063

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	537	1,552	3,824	0
FEBRUARY	541	703	944	0
MARCH	548	807	974	0
APRIL	554	838	1,185	0
MAY	561	1,001	1,133	0
JUNE	568	1,730	2,122	0
JULY	579	2,805	3,209	0
AUGUST	581	1,241	1,538	0
SEPTEMBER	586	1,307	1,865	0
OCTOBER	585	704	869	0
NOVEMBER	591	678	709	0
DECEMBER	596	981	913	0
TOTALS →		14,348	19,284	0

What is the level of arsenic for each well on your system? 0.0023  
0.0014  
0.0027  
0.0019 mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? 500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☐ Yes                      ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☐ Yes                      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 1,513.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2005 SECOND HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY

**Due March 1, 2006**

Make check payable to:

STARLIGHT WATER CO INC

Bonny Lynn

936 80 500 9 070363

Coconino County Treasurer

TO PAY 2ND HALF

PAY

1,417.36

Delinquency Date Second Half Payment  
 Penalty for late payment is 16% per year  
 prorated monthly as of the 1st day of the month  
 for payments postmarked after 5:00 P.M.  
 May 1, 2006 (ARS 42-18052 and ARS 42-  
 18053).



039368050000900000141736



Bonny Lynn  
 Coconino County Treasurer  
 110 E Cherry Ave  
 Flagstaff AZ 86001-4627

2005 9368050000 2 00000028347200000141736

**2005 SECOND HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY

**Due March 1, 2006**

Make check payable to:

TO PAY 2ND HALF

PAY

Delinquency Date Second Half Payment  
 Penalty for late payment is 16% per year  
 prorated monthly as of the 1st day of the month  
 for payments postmarked after 5:00 P.M.  
 May 1, 2006 (ARS 42-18052 and ARS 42-  
 18053).

**PLEASE DO NOT USE THIS COUPON**  
**PLEASE MAKE YOUR SINGLE PAYMENT**  
**AS NOTED ON COUPON 1**

STARLIGHT WATER COMPANY, INC.

WELLS FARGO BANK ARIZONA, N.A.  
LAKE HAVASU CITY, AZ 86403

4486

520-623-5172  
 P.O. BOX 85160  
 TUCSON, AZ 85754

91-527/1221

2/15/2006

PAY TO THE  
 ORDER OF Bonny Lynn Coconino Co. Treasurer

\$\*\*1,417.36

One Thousand Four Hundred Seventeen and 36/100\*\*\*\*\*

DOLLARS

Bonny Lynn Coconino Co. Treasurer  
 110 E Cherry Ave  
 Flagstaff, AZ 86001-4627

MEMO

2nd Half 2005 Property Tax, Parcel ID 936 80 500 9 0500

AUTHORIZED SIGNATURE

"004486" 1212210527810703910091"

STARLIGHT WATER COMPANY, INC.

4486

Bonny Lynn Coconino Co. Treasurer

2/15/2006

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
02/14/2006	Bill	2nd Half 2005	1,417.36	1,417.36		1,417.36
				Check Amount		1,417.36

## STARLIGHT WATER COMPANY, INC.

520-623-5172  
P.O. BOX 85160  
TUCSON, AZ 85754

WELLS FARGO BANK, N.A.  
WWW.WELLSFARGO.COM  
91-527/1221

10/11/2006

PAY TO THE  
ORDER OF Bonny Lynn - Coconino County Treasurer

\$\*\*1,648.19

One Thousand Six Hundred Forty-Eight and 19/100 \*\*\*\*\* DOLLARS

Bonny Lynn - Coconino County Treasurer  
110 E. Cherry Ave.  
Flagstaff, AZ 86001-4627



AUTHORIZED SIGNATURE

MEMO:

⑈004734⑈ ⑆122105278⑆0703910091⑈

**2006 FIRST HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Make check payable to:  
Bonny Lynn  
Coconino County Treasurer  
110 E Cherry Ave  
Flagstaff AZ 86001-4627

Payment in U.S. FUNDS ONLY

TO PAY 1ST HALF ONLY	PAY ▶	1,250.65
TO PAY FULL YEAR TAX	PAY ▶	2,501.30

If your mortgage company makes your property  
tax payments consider this notice as a courtesy  
copy for your records only.



\*93680500 \*



Bonny Lynn  
Coconino County Treasurer  
110 E Cherry Ave  
Flagstaff AZ 86001-4627

2006 9368050009 1 000000250130000000125065

**2006 FIRST HALF PAYMENT COUPON**

DETACH AND RETURN WITH PAYMENT

Make check payable to:  
Bonny Lynn  
Coconino County Treasurer  
110 E Cherry Ave  
Flagstaff AZ 86001-4627

Payment in U.S. FUNDS ONLY

TO PAY 1ST HALF ONLY	PAY ▶	397.54
TO PAY FULL YEAR TAX	PAY ▶	795.08

If your mortgage company makes your property  
tax payments consider this notice as a courtesy  
copy for your records only.



\*93680504 \*



Bonny Lynn  
Coconino County Treasurer  
110 E Cherry Ave  
Flagstaff AZ 86001-4627

2006 9368050401 1 00000007950800000039754

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED

APR 03 2007

AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
Coconino
NAME (OWNER OR OFFICIAL) TITLE
James R. Studnek, President
COMPANY NAME
Starlight Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

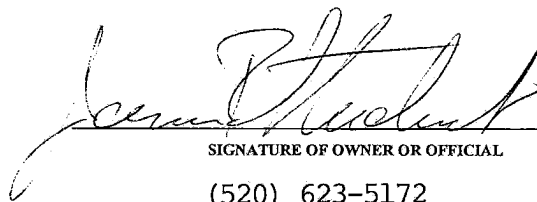
MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
SIGNATURE OF OWNER OR OFFICIAL

(520) 623-5172

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

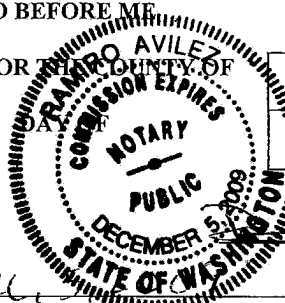
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26th

(SEAL)

MY COMMISSION EXPIRES Dec



COUNTY NAME	Douglas
MONTH	March
YEAR	2007

  
SIGNATURE OF NOTARY PUBLIC



COMPANY NAME Starlight Water Company

YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0.00</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>


Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>841,278.00</u>
Amount of Gross-Up Tax Collected	<u>0.00</u>
Total Grossed-Up Contributions/Advances	<u>841,278.00</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

3/26/07  
DATE

James R. Studnek  
PRINTED NAME

President  
TITLE

RECEIVED

APR 03 2007

W CORP COMM  
Director Utilities

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>Coconino</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James R. Studnek, President</u>
COMPANY NAME	<u>Starlight Water Company, Inc.</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 313,223.00

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 19,042.00  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

19th

(SEAL)

 SIGNATURE OF OWNER OR OFFICIAL (520) 623-5172 TELEPHONE NUMBER	
COUNTY NAME <u>Douglas</u> DAY OF PUBLIC <u>March</u> DECEMBER 15, 2009 STATE OF WASHINGTON	COUNTY NAME <u>Douglas</u> YEAR <u>2007</u>
 SIGNATURE OF NOTARY PUBLIC	

MY COMMISSION EXPIRES Dec. 5, 2009

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

RECEIVED

APR 03 2007

AZ CORP COMM  
Director Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) Coconino	
NAME (OWNER OR OFFICIAL) James R. Studnek	TITLE President
COMPANY NAME Starlight Water Company, Inc.	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

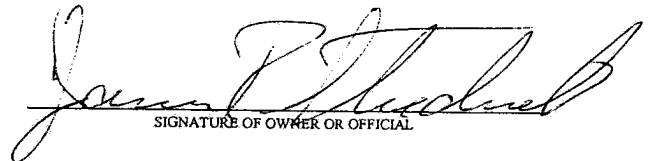
\$ 304,368.97

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 18,867.87

IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

(520) 623-5172

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF March

NOTARY PUBLIC NAME Edith Medina	
COUNTY NAME Douglas	
MONTH March	YEAR 2007

Notary Public  
State of Washington  
EDITH C MEDINA

My Appointment Expires Feb 28, 2009

MY COMMISSION EXPIRES

2/28/2009

  
SIGNATURE OF NOTARY PUBLIC